

November 30, 2009



Microchip Technology Updates Net Sales and Earnings Guidance for the Third Quarter Fiscal 2010

CHANDLER, Ariz.--(BUSINESS WIRE)-- Microchip Technology Incorporated (NASDAQ: MCHP), a leading provider of microcontrollers and analog semiconductors, announced today that based on solid bookings and sales activities in October and November that it expects its net sales for its third quarter of fiscal 2010 ending December 31, 2009 to be up 6% to 8% sequentially. Microchip expects GAAP diluted earnings per share to be approximately 29 cents and non-GAAP diluted earnings per share to be approximately 35 cents. On November 4, 2009, Microchip provided guidance of net sales increasing 4% to 8% sequentially, GAAP diluted earnings per share of approximately 27 to 29 cents, and non-GAAP diluted earnings per share of approximately 33 to 35 cents.

"The first two months of our December quarter have progressed nicely and we are narrowing our net sales guidance to the upper half of our previous expectations," said Steve Sanghi, Microchip's President and CEO. "We currently expect gross margins to come in at the high side of our previous guidance and operating expenses to be at the low end of our previous guidance. We continue to see excellent design win traction in our strategic product lines and believe we are positioned well for future market share gains."

No conference call will be held in conjunction with today's press release. Microchip Technology will present at the Credit Suisse First Boston Annual Technology Conference on Tuesday, December 1, 2009 at 9:00 a.m. (Mountain Time). A live webcast and replay of the presentation can be accessed on the Microchip Web site at www.microchip.com. The replay of the webcast will be available for a period of seven days following the presentation.

Non-GAAP adjustments for the third quarter of fiscal 2010 include share-based compensation expense; acquisition-related acquired inventory valuation cost and intangible asset amortization, other acquisition-related expenditures, non-cash interest expense, other non-recurring items in our business and the related income tax implications of these items. The Company is not able to provide a reconciliation of its GAAP and non-GAAP guidance for the quarter ending December 31, 2009 at this time, but will include such reconciliation and related information as part of its earnings announcement.

Cautionary Statement:

The statements in this release relating to our updated guidance for net sales, GAAP earnings per share, non-GAAP earnings per share, gross margins and operating expenses, excellent design win traction and our being positioned for future market share gains are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements involve risks and uncertainties that could cause our actual results to differ materially, including, but not limited to: the strength of the economic recovery or any further weakness or unexpected fluctuations in the

U.S. or global economies; changes in demand or market acceptance of our products and the products of our customers; the mix of inventory we hold and our ability to satisfy short-term orders from our inventory; changes in utilization of our manufacturing capacity and our ability to effectively ramp our production levels; competitive developments including pricing pressures; the level of orders that are received and can be shipped in a quarter; the level of sell-through of our products through distribution; changes or fluctuations in customer order patterns and seasonality; foreign currency effects on our business; the impact of any significant acquisitions that we make; costs and outcome of any current or future tax audit or any litigation involving intellectual property, customers or other issues; disruptions in our business or the businesses of our customers or suppliers due to natural disasters, terrorist activity, armed conflict, war, worldwide oil prices and supply, public health concerns or disruptions in the transportation system; and general economic, industry or political conditions in the United States or internationally.

For a detailed discussion of these and other risk factors, please refer to Microchip's filings on Forms 10-K and 10-Q. You can obtain copies of Forms 10-K and 10-Q and other relevant documents for free at Microchip's Web site (www.microchip.com) or the SEC's Web site (www.sec.gov) or from commercial document retrieval services.

Stockholders of Microchip are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date such statements are made. Microchip does not undertake any obligation to publicly update any forward-looking statements to reflect events, circumstances or new information after this November 30, 2009 press release, or to reflect the occurrence of unanticipated events.

About Microchip:

Microchip Technology Inc. is a leading provider of microcontroller and analog semiconductors, providing low-risk product development, lower total system cost and faster time to market for thousands of diverse customer applications worldwide. Headquartered in Chandler, Arizona, Microchip offers outstanding technical support along with dependable delivery and quality. For more information, visit the Microchip Web site at www.microchip.com.

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